

# **FISCAL MEMORANDUM**

## **HB 2568 – SB 2670**

March 17, 2008

**SUMMARY OF AMENDMENT (015231):** Deletes Section 1 of the original bill. Adds language prohibiting any former governor or former member of the General Assembly from retaining health insurance benefits if that former governor or former member is convicted in any court of this state, or in any federal court, of a felony arising out of that person's official capacity, constituting malfeasance in office, effective November 4, 2008.

### **FISCAL IMPACT OF ORIGINAL BILL:**

Other Fiscal Impact - If one current or former member of the General Assembly is convicted of a felony during FY08-09, and this individual is of average age, with an average life expectancy, total state expenditures could decrease by an amount estimated to exceed \$700,000 over the individual's remaining life (an average of \$28,000 per year for 25 years).

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Other Fiscal Impact - If one former governor or one former member of the General Assembly is convicted of a felony during FY08-09, and this individual is of average age, with an average life expectancy, and served 20 years or less, total state expenditures will decrease by an amount estimated to exceed \$136,600 over the individual's remaining life (an average of \$6,830 per year for 20 years).**

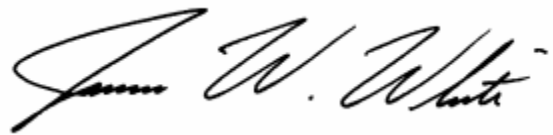
Assumptions applied to amendment:

- All rights, privileges, and benefits would be restored if the conviction is later overturned in any court and such member is acquitted, or a full pardon has been granted.
- The average age of a former governor or former member of the General Assembly is estimated to be 60.
- Life expectancy for a former governor or former member of the General Assembly is estimated to be 80 years.

- The former governor or former member is considered a retiree for the purpose of health insurance benefits.
- Given that spouses and dependent children of a former governor or former member can continue participation, the former governor or former member forgoes insurance benefits applicable only to himself or herself. Such health insurance benefits are estimated to be the equivalent of those associated with single or spouse only premium rates.
- The former governor or former member served less than 20 years.
- The state pays 60 percent of the premium; the former governor or former member pays 40 percent of the premium.
- The monthly state contribution for the state insurance plan for retirees with single or spouse only health insurance coverage with 20 years of service or less for calendar year 2008 is approximately \$292.06 per month (or \$3,504.76 per year).
- Six percent annual growth of health insurance premiums.
- The future value of insurance premiums paid by the state over a twenty-five year period, assuming 6.0% annual growth of premiums, is estimated to exceed \$136,600.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/rnc